

Presentation to the Joint Legislation Oversight Committee on Information Technology

NC Department of Administration
NC Department of Health & Human Services
NC Office of Information Technology Services
August 2, 2012

Role of the Department of Administration: serves as the project lead in this initiative insofar as DOA manages properties and construction on behalf of state agencies.

Role of the Department of Health and Human Services: State agency seeking proposals to execute a consolidated operation that enhances efficiency and cost-savings

Presentation will cover the requested items to include:
Overview of the process, next steps, technical details

Background – DHHS Space Consolidation

Overview of the RFP for Tenant Representation process

The State Property Office prepared a Request for Proposal for tenant representative assistance related to an eventual move of 1700 state employees at the Dix site to cost-effective office space. The State Property Office released the RFP on Feb. 24, 2012. The RFP was advertised in the State's Interactive Procurement System (IPS).

Background – DHHS Space Consolidation (cont'd)

Data Gathering Process

Contractor met with DHHS and gathered employee counts, locations, special requirements, addressed current conditions, developed high-level gross space needs and analyzed budget information.

RFP process for Consolidation of DHHS offices

On July 10, 2012, the Department of Administration issued a “Lease Specifications RFP for DHHS Consolidation”. The State wishes to acquire by lease on behalf of DHHS approximately 850,000 to 1,050,000 net square feet in a campus-like setting that will be a combination of office, public and warehouse space including parking in the greater Raleigh areas in a location with a convenient access to major roadways. The lease will consolidate functions currently in the approximately 30 different locations and will be implemented in three phases beginning in 2014. Lease term is for twenty years with renewal options. The RFP can be found on State Property’s website, as can the addendum #1 to the RFP and the Staff Planning guide at:

<http://www.ncspo.com/rflp/rflp468AD.html>

Data Center/IT Support for Consolidated Office Complex

- Contractor space planning and staffing report
- Collaboration
- Change in Plans for Data Center / IT Support

Overview of Next Steps

- Proposal deadline August 17, 2012
- Proposal evaluation stage
- Recommendation reported to Joint Legislative Commission on Governmental Operations
- Submission for approval to Council of State

Benefits of DHHS Space Consolidation

- Optimizing space and greater efficiency of operations
- Improved departmental communications
- Reduced travel among office sites
- Economies of scale

Space Occupied by DHHS Currently in Wake County

& Phasing Plan

Owned Space: 655,838 SF (Dix Campus 524,349 SF, Albemarle/Cotton/Cooper 131,489 SF)

Leased Space: 545,641 SF (22 leased locations)

Total Space: 1,201,479 SF

Phase I Relocation by June 2014:

Current Owned Space: 655,838 SF (Dix Campus 524,349 SF, Albemarle/Cotton 131,489 SF)

Current Leased Space: 147,127 SF (14 leased locations)

Current Total Space: 802,965 SF

Proposed New Facility: 600,000 SF – 650,000 SF

Phase II Relocation by June 2017:

Current Leased Space: 230,465 SF (7 leased locations)

Current Total Space: 230,465 SF

Proposed New Facility: 100,000 SF – 200,000 SF

Phase III Relocation by June 2019:

Current Leased Space: 168,049 SF (1 leased locations)

Current Total Space: 168,049 SF

Proposed New Facility: 150,000 SF – 200,000 SF